

Omnichannels:

The Right Omnichannel Solution Lifts Results for Legendary European House of Fashion

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Summary

CoutureCo*, a diverse conglomerate with operations in 118 countries and over 160,000 employees worldwide, recognized that some of its portfolio companies were missing their profitability targets among other performance issues. The company sought P&C Global's guidance to identify and solve the performance and profitability issues at its holding companies.

At a Glance

7x

Mobile Revenue Increase

10x

Mobile Engagement Increase

11

Month Project Duration



* Per the client's request, any identifying information has been excluded.

The Situation

An effective omnichannel strategy presents retailers with a significant opportunity: The marriage of digital and physical worlds creates a whole new value equation and CoutureCo realized it needed the right strategy and a solid implementation effort to succeed. In today's omnichannel world, the journey has more stages than ever, with the customer deciding not only where, when, and what to buy, but which channels to use and the role each will play. The linear route through the classic purchasing funnel has morphed into a fluid and dynamic process as boundaries between marketing and selling online and offline blur—and often disappear entirely.

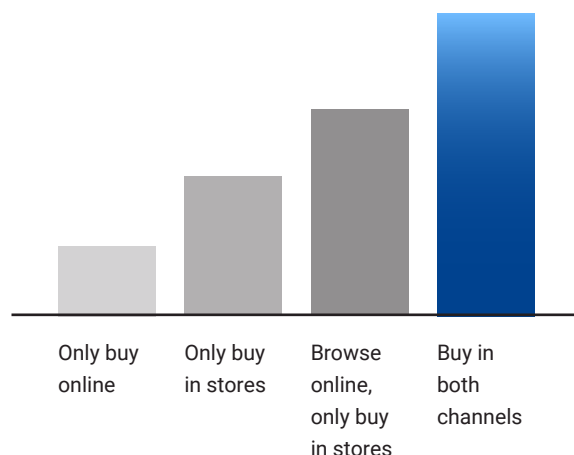
CoutureCo's historic success was due in large part to sales from their company branded stores as well as a carefully curated selection of luxury department stores. The company maintained disintegrated e-commerce channels (its own digital presence plus the digital presence of the luxury department stores), but its internal e-commerce and branded stores were not integrated.

E-commerce channel sales accounted for only 9% of its total revenue (compared to 30%+ enjoyed by its top-performing competitors) and often offered more discounted, off-season products or products for upcoming season not yet available for sale. Further, the company was hindered by inefficient logistics which led to unavailability of in-demand products and poor execution of direct-to-customer and direct-to-store orders which negatively impacted customer perceptions and satisfaction

Omnichannel Customers

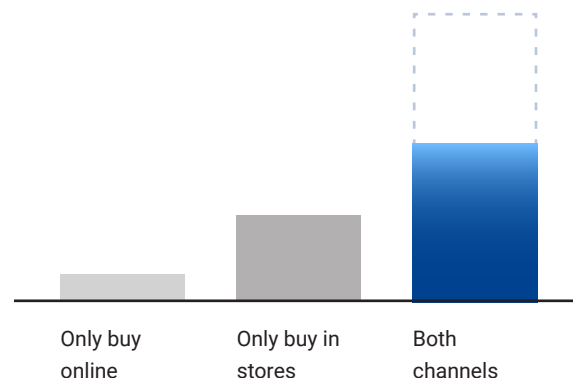
Omnichannel Customers Spend More

Average spend by type of customer
(indexed to online only customers)



Omnichannel Customers are More Profitable

Customer lifetime value
(indexed to online only customers)



Our Approach

P&C Global worked closely with CoutureCo's key project stakeholders—C-level leaders and stakeholders from across the company as well as their global logistics partner—to address key questions related to the company's omnichannel opportunity:

- How should pricing and assortment of the company's online channel compare to its other channels including branded stores as well as omnichannel platforms of its other merchants?
- What is the company open to do to realize the full potential of its omnichannel efforts?
- What is the company open to do in order to optimize assortment and logistics?

P&C Global led the key stakeholder team through a process to create a shared vision for the future state—a high-level roadmap, grounded in industry best practices and differentiating but attainable outcomes, which would represent the best outcomes from their omnichannel and logistics optimization efforts.

We established a targeted set of outcomes to define success. The targets included: mobile and online revenue increase of 2-3x and mobile users increase of 4-5x in one year from launch.

In addition, we created three cross-functional teams—led by P&C Global—to tackle the omnichannel strategy, development of the mobile platform, and logistics optimization workstreams.



Our Recommendations

Omnichannel Strategy

Where to Play/ How to Win

- Raise number of omnichannel buyers
- Promote brand awareness
- Differentiation:
Content curation,
Product assortment,
Store integration

Develop Mobile Channel

Attract Interest and Buyers

- Build the mobile channel and app
- Focus on the right content and in-season products
- Engage audience ►
Convert to buyers

Logistics

Optimize and Perform

- Renegotiate contract based on market best practices and SLAs (penalties)
- Establish minimum performance criteria
- Establish escalation protocols and clear decision roles

Price Promotion: Process to manage conflict across online/offline channels by establishing benchmarks and clear decision roles.

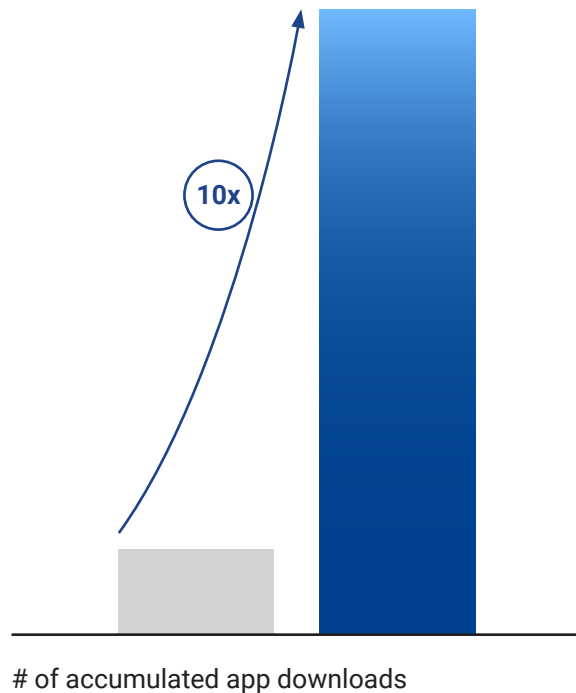


Customer Focus: Entire program focused on customer needs.

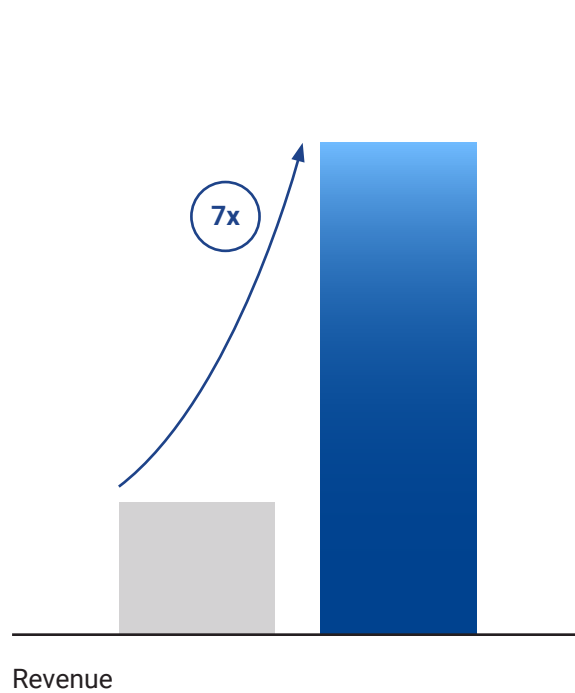
The Results

With P&C Global's expertise and implementation, CoutureCo's omnichannel strategy, optimized global logistics solution, and investment in mobile delivered: 7x increase in mobile revenues and 10x increase in mobile engagement.

Mobile Engagement



Mobile Revenue





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